

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California

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For Immediate Release

Chief Executive of Communications Company Sentenced to Prison for Providing Encryption Services and Devices to Criminal Organizations

NEWS RELEASE SUMMARY – May 28, 2019

SAN DIEGO – Vincent Ramos, the chief executive of Canada-based Phantom Secure, was sentenced to nine years in prison today for leading a criminal enterprise that facilitated the transnational importation and distribution of narcotics through the sale of encrypted communication devices and services. The Court also ordered Ramos to forfeit \$80 million as proceeds of the crime, as well as specifically identified assets, including international bank accounts, real estate, cryptocurrency accounts, and gold coins.

This conviction marks the first time the United States targeted a company and convicted its chief executive for knowingly providing transnational criminal organizations with the encrypted infrastructure to conduct the international importation and distribution of narcotics.

“Vincent Ramos is going to prison because he provided violent, drug trafficking organizations with a high tech tool that enabled them to coordinate their crimes while staying in the shadows,” said U.S. Attorney

Robert Brewer. “But Ramos’s system is down permanently, he has forfeited his wealth, and he is going to prison for nearly a decade. We will continue to investigate and prosecute these individuals, whether they are the ones transporting and selling drugs, or providing the tools to those who do.”

“I want to thank prosecutors Andrew Young, Ben Katz and Mark Pletcher, as well as the FBI, DEA, Customs and Border Protection, Homeland Security Investigations, U.S. Marshals Service, Washington State Police, the Bellingham and Blaine Police Departments, and all of our law enforcement partners around the world, including Australia, Canada, Panama, Hong Kong, and Thailand for their hard work on this case,” Brewer said.

“Striking at the heart of organized crime has always been a priority for the FBI,” said Scott Brunner, FBI Special Agent in Charge of the San Diego Field Office. “This case demonstrates that no matter the dangerous criminal activity or the advanced technology used by these sophisticated criminal enterprises, the FBI will keep pace to infiltrate and dismantle the organizations that, in today’s world, operate domestically and internationally. As a result, the FBI joins forces with exceptional law enforcement partners both in the U.S. and abroad, to ensure every tentacle of the global enterprise is severed and cannot operate its illegal and dangerous crimes.”

Ramos advertised Phantom Secure’s products as impervious to decryption, wiretapping or legal third-party records requests. Phantom Secure routinely deleted and destroyed evidence from devices that it knew had been seized by law enforcement. According to Court documents, Phantom Secure’s clients used email handles like the following to conduct criminal activities: leadslinger@freedomsecure.me; The.cartel@freedomsecure.me; The.killa@freedomsecure.me; Trigger-happy@lockedpgp.com; Knee_capper9@lockedpgp.com; Elchapo66@lockedpgp.com; Time4a187@freedomsecure.me.

According to court documents, one of Ramos’s customers, Owen Hanson (who was previously sentenced to 21 years in custody), used only six Phantom Secure devices to coordinate the transportation of more than a ton of cocaine from Mexico into the United States and on to Canada and Australia. The government conservatively estimates there were at least 7,000 Phantom Secure devices in use at the time Ramos was arrested--meaning that “the amount of drugs Phantom Secure aided and abetted in transporting by providing devices and services to criminals worldwide was too high calculate.”

Ramos’ customers used his products to devastating and sometimes deadly effect, and Ramos used this to market his encryption services to criminals across the world. According to court documents, in response to a March 5, 2014 news article that reported investigations of a gangland murder were stymied because the suspects used Phantom Secure devices to coordinate the killing, Ramos wrote, “this is the best verification on what we have been saying all along – proven and effective for now over nine years. It is the highest level of authority confirming our effectiveness. It can’t get better than that.”

The international operation to arrest Ramos and seize Phantom Secure’s infrastructure involved cooperation and efforts by law enforcement authorities in the United States, Australia, and Canada, with additional assistance from U.S. and foreign law enforcement in Panama, Hong Kong, and Thailand.

Ramos's co-defendants - Kim Augustus Rodd, Younes Nasri, Michael Gamboa and Christopher Poquiz – remain international fugitives, charged with participating in and aiding and abetting a racketeering enterprise and conspiring to import and distribute controlled substances around the world. All have been charged with Conspiracy to Commit RICO in violation of 18 U.S.C. § 1962 and Conspiracy to Distribute Controlled Substances in violation of 21 U.S.C. § 841 and 846.

In addition to our foreign law enforcement partners, the U.S. Attorney's Office further recognizes the support and assistance of the U.S. Drug Enforcement Administration; United States Marshals Service; U.S. Customs and Border Protection; the United States Department of Homeland Security; Seattle and Las Vegas field offices of the Federal Bureau of Investigation; the Washington State Police Department; the City of Bellingham, Washington Police Department; the City of Blaine, Washington Police Department; and the Canada Border Services Agency, among others, without whose help this prosecution could not have been possible.

This case is the result of ongoing efforts by the Organized Crime Drug Enforcement Task Force (OCDETF), a partnership that brings together the combined expertise of federal, state and local law enforcement. The principal mission of the OCDETF program is to identify, disrupt, dismantle and prosecute high-level members of drug trafficking, weapons trafficking, and money laundering organizations and enterprises.

DEFENDANT

Case Number 18CR1404-WQH

Vincent Ramos (1)
aka "CEO"
aka "Business"

Richmond, British Columbia, Canada

SUMMARY OF CHARGES

Racketeering Conspiracy (RICO Conspiracy), in violation of 18 U.S.C. § 1962(d)
Maximum Penalty: 20 years in prison

AGENCIES

Federal Bureau of Investigation
Drug Enforcement Administration
United States Marshals Service
Department of Justice, Office of International Affairs
Australian Federal Police
New South Wales Police (Australia)
New South Wales Crime Commission (Australia)
Australian Criminal Intelligence Commission
Royal Canadian Mounted Police
International Assistance Group, Department of Justice, Canada

